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Feature Articles

Research Summaries

Regular Items

Income and Expenditures of Older Widowed, Divorced, and Never-Married Women Who Live Alone

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The economic status of older women differs by marital status. Using the 1988–89 Consumer Expenditure Surveys, the income and expenditures of widowed, divorced, and never-married women 65 years or older and living alone were analyzed. Of these groups, widows had less income and expenditures than divorced or never-married women. The groups differed in the importance of various sources of income, although all three relied on Social Security for about half or more of their income. There also were differences in their spending patterns, but all three groups allocated the largest share (about 40 percent) to housing.

To assess the economic status of older women, it may be important to consider marital status (*5*,*6*). Sixty percent of women 65 years or older are widowed, divorced, separated, or were never married. Of these, widows account for 82 percent; divorced and separated women[1] for 10 percent; and never-married women, 8 percent (*3*).

There are many factors in work histories, asset accumulation, and family situations that may cause income and expenditure differences among widowed, divorced, and never-married older women.

Differences were expected in *income* and sources of income (*2*). **Widows'** Social Security may be based on husbands' earnings, and men usually have higher earnings. Also, widows may have more income from interest and dividends if their assets were accumulated by both their husbands and themselves. **Divorced** women may receive alimony. They may have been active in the labor force and have pensions or other retirement income. Assets, such as a house, may have been retained as part of the divorce settlement. **Never-married** women probably have been employed for many years so their Social Security and pension income will reflect that labor force participation.

Literature on older women contains little information on *expenditures*; however, expenditure patterns may differ among the groups (*1*). For example, widowed and divorced women may have higher housing costs because they may be living in the house where they raised their children, perhaps a larger house than a never-married woman would choose.

Since little is known of the income and expenditure patterns of older unmarried women, this study will provide insight into those aspects of their well-being.

[1]Less than 2 percent are separated so divorced and separated women were grouped together for this paper.

Source of Data

Data for this study are from the interview component of the 1988–89 Consumer Expenditure Surveys (CE) conducted by the Bureau of the Census for the Bureau of Labor Statistics. The CE is an ongoing survey that collects data on household expenditures, income, and major socioeconomic and demographic characteristics. A national sample of consumer units[2] is interviewed once each quarter for five consecutive quarters; the first interview is used only for bounding purposes. Using a rotating sample design, about one-fifth of the sample is replaced each quarter. Each year of CE data contains information from about 20,000 quarterly interviews. Income data are annual, and expenditure data are multiplied by four to provide estimates of annual expenditures. The data may be weighted to represent the U.S. noninstitutionalized population.

For this study, 2 years of data were used to provide a large enough sample (at least 100) of never-married women. Consumer units were interviewed in the survey so women in nursing homes or similar institutions were not included. Consumer units that did not give a complete reporting of income[3] were excluded. Data were weighted to reflect the U.S. population of interest.

There were 3,394 women 65 years or older and widowed, divorced, or never married. Of these, 68 percent lived alone; 18 percent had others living with them; and 14 percent lived in the home of their children or others. The study was limited to those who lived alone because the income and expenditures of older women who live with others or have others living with them cannot be identified separately. Among those who lived alone, 82 percent were widowed, 11 percent were divorced or separated, and 7 percent had never been married.

Characteristics of Older Unmarried Women Who Live Alone

Age

The divorced women were younger. Their average age was 72 years, compared with the average age of 77 and 76 for the widowed and never-married groups. Almost half of the divorced women were 65 to 69 years old; less than one-fifth of the widowed and never-married women were less than 70 years old (table 1). Only 12 percent of the divorced women were 80 or

Table 1. Characteristics of widowed, divorced, and never-married women 65 years or older who live alone, 1988–89

Characteristic	Widowed	Divorced	Never married
		Percent	
Age			
65 - 69	17	48	18
70 - 74	22	29	28
75 - 79	25	11	27
80 or older	36	12	28
Education			
Elementary or none	34	16	17
Some high school	19	20	12
High school graduate	26	29	28
Some college	11	20	8
College graduate	6	8	10
More than 4 years of college	4	8	25
Race			
White	89	80	96
Geographic location			
Urban			
Northeast	20	18	18
Midwest	21	18	12
South	25	34	27
West	15	24	26
Rural	19	6	17
Housing tenure			
Homeowner with mortgage	8	16	7
Homeowner without mortgage	61	37	41
Renter	31	47	52
Currently employed	9	19	14

[2]A consumer unit consists of either: (1) all members of a particular housing unit who are related by blood, marriage, adoption, or other legal arrangements; (2) two or more people living together who pool their incomes to make joint expenditure decisions; or (3) a person living alone or sharing a household with others or living as a roomer in a private home or lodging house or in permanent living quarters in a hotel or motel, but who is financially independent. To be considered financially independent, at least two of the three major expense categories (housing, food, and other living expenses) have to be provided by the respondent.

[3]Complete income reporters are respondents who provided values for major sources of income such as wages and salaries, self-employment income, or Social Security income. However, even complete income reporters may not have provided a full accounting of all income from all sources.

older, compared with 36 percent of the widowed and 28 percent of the never-married women. These age differences among the groups are important because younger persons are likely to report more income from earnings and may have higher expenditures than older persons for transportation, clothing, or other items reflective of more active lives.

Education

The never-married women were more highly educated than the other two groups. Thirty-five percent were college graduates; 25 percent had more than 4 years of college. Widows were least educated; one of three widows had only an elementary education or less, a rate twice that of the other groups. Divorced and never-married persons may have been more educated because (1) the education they had may have allowed them the independence to choose to be divorced or never married, or (2) after participating in the labor force, they may have been motivated to pursue education more vigorously.

... average income and expenditures of widowed older women were lower than those of divorced or never-married women.

Race

Of the three groups of women in this age group, never-married women were most likely to be White—96 percent, compared with 89 percent of widowed and 80 percent of divorced women.

Geographic Location

Divorced women were less likely to live in rural areas;[4] only 6 percent lived in rural areas, compared with 19 percent of widowed and 17 percent of never-married women. Perhaps the divorced women moved to urban areas for job opportunities or perhaps rural women were less likely to divorce.

[4]Population less than 2,500, outside a Metropolitan Statistical Area.

Figure 1. Income and expenditures of widowed, divorced, and never-married women 65 years or older who live alone, 1988–89

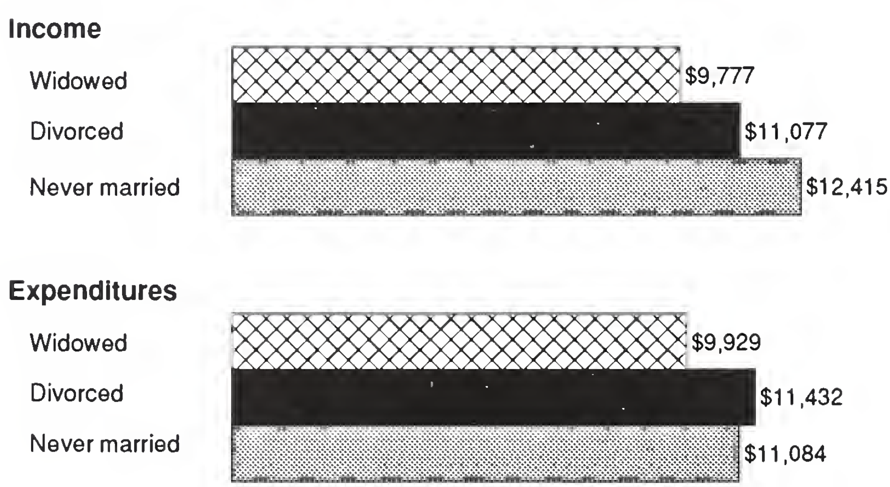


Table 2. Sources of income of widowed, divorced, and never-married women 65 years or older who live alone, 1988–89

Income source	Average income[1]			Percent receiving income		
	Widowed	Divorced	Never married	Widowed	Divorced	Never married
Before-tax income	**$ 9,777**	**$11,077**	**$12,415**	**100**	**100**	**100**
Social Security and Railroad Retirement	5,855	5,354	5,658	96	93	85
Pensions and annuities	1,272	2,033	3,429	26	33	45
Interest and dividends	1,648	629	2,340	37	35	51
Earnings	754	2,251	935	12	24	10
Other	248	810	53	19	32	6

[1]Calculated for all women 65 years or older living alone, with and without the income source.

Housing Tenure

Over half of these women lived in single-family detached homes: 57 percent of widowed, 49 percent of divorced, and 48 percent of never-married women. A few women lived in mobile homes: 8 percent of widowed, 6 percent of divorced, and 3 percent of never-married women. The others lived in apartments, town houses, and other multiunit buildings.

Sixty-nine percent of widowed women owned their home; 61 percent had no mortgage. Fifty-three percent of divorced women and 48 percent of never-married women were home-owners.

Earners

Since these women were 65 years or older, only 1 of 10 was in the labor force. Divorced women were more likely to be working, probably because they were younger, or they may have felt they needed to supplement other sources of income. Nineteen percent of the divorced women were working at least part time, compared with 9 percent of widowed and 14 percent of never-married women.

Sources of Income

Widowed women had the lowest average income (figure 1 and table 2). Their average before-tax income was $9,777, compared with $11,077 for divorced and $12,415 for never-married women. Also, there were differences in the sources of income.

Widowed women received an average of $5,855, or 60 percent of their income, from Social Security (figure 2, p. 6). Seventeen percent of their income was from interest on savings accounts or bonds and income from dividends, royalties, estates, and trusts; 13 percent came from pensions and annuities; and 8 percent, from earnings. (Earnings were from a farm or business or employment.)

Compared with widows, **divorced** women received a smaller percentage of their income from Social Security and a larger percentage from earnings. They had less interest and dividends than the other groups, which probably indicates fewer assets.

Never-married women received a smaller percentage of their income from Social Security than the other women, but the average dollar amount was similar. Compared with widows, a much larger percentage of income came from pensions and annuities (28 percent for never-married and 13 percent for widowed women) reflecting their work history. Earnings for never-married women were less than those for divorced women but similar to widowed women, probably because of their ages.

Nearly all women (95 percent) received Social Security. However, a much smaller percentage of women reported other sources of income: interest or dividends reported by 38 percent, pensions or annuities by 28 percent, and earnings by 13 percent.

Never-married women appeared more likely to have income from investments than widowed or divorced women (table 2). Nearly half of never-married women received income from pensions and annuities (45 percent) and from interest and dividends (51 percent). About one-quarter of divorced women received earnings from employment, a business, or a farm.

Figure 2. Sources of income of widowed, divorced, and never-married women 65 years or older who live alone, 1988–89

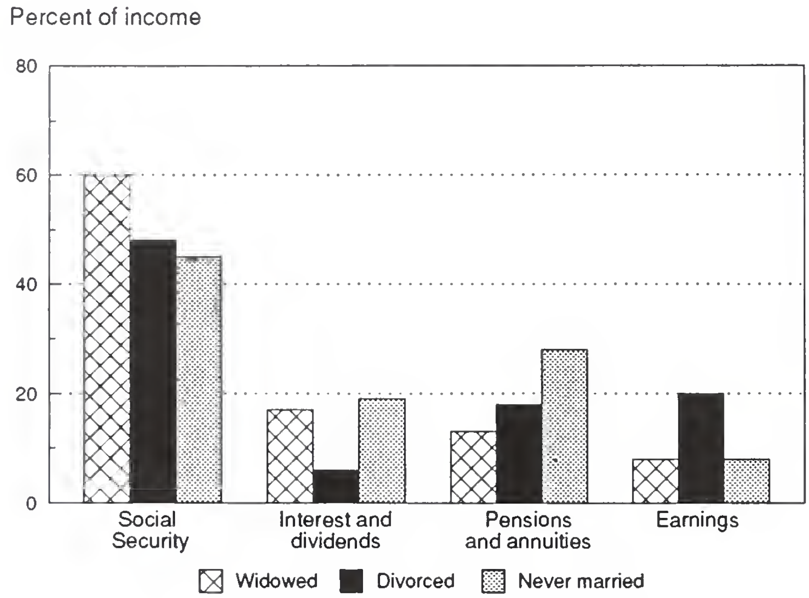
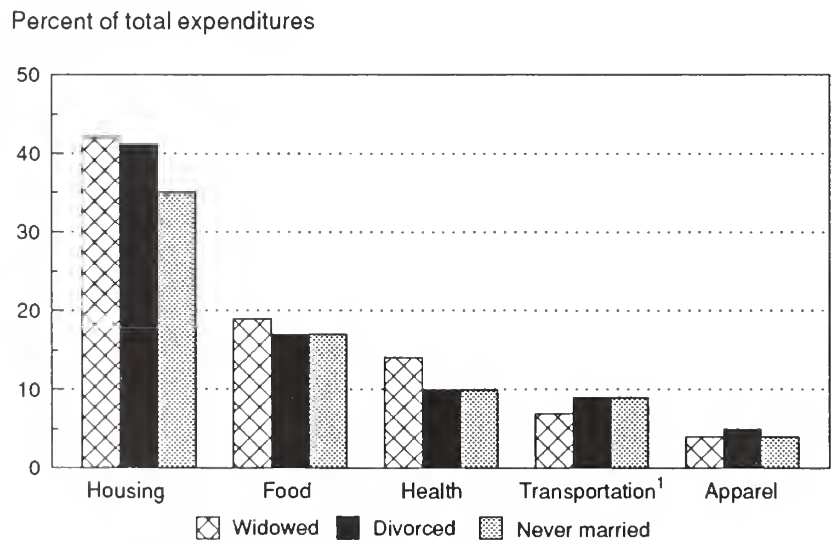


Figure 3. Expenditures of widowed, divorced, and never-married women 65 years or older who live alone, 1988–89



[1]Transportation does not include purchase of new vehicles.

Allocation of Expenditures

Widows had the lowest expenditures of the three groups (table 3). On average, widowed and divorced women spent 2 or 3 percent more than their before-tax income. At this stage of life, it is likely that these women are drawing on savings, but they could be borrowing or using a home equity program. Never-married women spent 89 percent of their income (figure 1, p. 4).

The widowed women allocated 42 percent of their expenditures to housing (figure 3). Even though most did not have a mortgage to pay, they paid almost as much as the other groups for shelter, which included property taxes, maintenance, repairs, insurance, and related expenses. They also paid more than the other groups for utilities and household operations.

Widows spent 19 percent for food, compared with 17 percent by the other two groups. Widows spent more for food at home and less for food away from home than the other groups; perhaps they spent it on entertaining family members or others. Widowed women spent more for health care than the other groups, both in average dollars and in the share of expenditures. They are older than the divorced group but just slightly older than the never-married group.

Divorced women spent 41 percent on housing; the shelter component was larger than for widowed or never-married women because they were more likely to be paying off mortgages or renting. Transportation costs of divorced women, which included maintenance and public transportation but not the purchase of new cars or trucks, were higher than expenditures by widowed women and similar to those by never-married women. Divorced women spent more on gas and oil than the other two groups, which indicates that they drove more. The

Table 3. Expenditures of widowed, divorced, and never-married women 65 years or older who live alone, 1988–89

Expenditure	Average expenditure[1]			Percent of total expenditures		
	Widowed	Divorced	Never married	Widowed	Divorced	Never married
Total expenditures	**$9,929**	**$11,432**	**$11,084**	**100**	**100**	**100**
Housing	4,182	4,697	3,868	42	41	35
Food	1,884	1,952	1,863	19	17	17
Health	1,397	1,088	1,094	14	10	10
Transportation[2]	712	1,019	989	7	9	9
Apparel	427	604	401	4	5	4
Cash contributions	187	99	483	2	1	4
Life insurance	78	143	456	1	1	4
Retirement	108	312	80	1	3	1
Other	954	1,518	1,850	10	13	16

[1]Calculated for all women 65 years or older living alone, with and without the expenditure.
[2]Does not include purchase of new vehicle.

amount divorced women spent on public transportation, which included air travel, was more than that spent by widows or never-marrieds. Divorced women spent more on apparel. This may reflect a more active lifestyle. The percentage of expenditures spent on retirement (pensions and Social Security) was higher for divorced women than the other two groups because more divorced women worked.

Never-married women spent less for housing than the other groups. They lived in smaller houses than widows (an average of 1.9 bedrooms compared to 2.1 bedrooms) and had lower expenses for utilities, household operations, and furnishings. Health costs were the same as for the divorced group even though never-marrieds were 4 years older, on average.

Other categories that were different for never-married women were cash contributions and life insurance. They allocated 4 percent of their expenditures to each of these, considerably more than the other women. Cash contributions may have been to relatives, educational institutions, religious organizations, or others. The insurance expenditures included annuity plans or life insurance to cover funeral and related expenses.

Conclusions and Implications

The primary finding of this study was that average income and expenditures of widowed older women were lower than those of divorced or never-married women. Because widows had a husband's earnings, one might expect them to be better off than divorced or never-married women. There may be several reasons that widowed women had lower incomes.

- Income from interest and dividends was lower than that reported by never-married older women. Many widowed women raised their children in a family where there was one earner, the husband. During most of their early adult years (between 1920 and 1940), most married women did not work outside the home. Throughout the Depression of the 1930's, jobs were very scarce and there was a belief that a woman's place was in the home. In the 1940's, married women worked during the war years, but after the war, they returned to the home. By 1960, these women were 35 to 60 years old, rather old to be joining the movement of married women into the labor market. Since most met the expenses of a family with one income, their savings and investments may have been less than those of never-married women. Also, some widowed women may have less income from interest and dividends because savings may have been depleted by the husbands' illness and/or death.

- Widows were less likely than divorced women to have current earnings. Divorced women were more likely to have been part of the movement of women into the labor force because they had a greater need to work and because they were younger, on average, than widowed women. In later years, when they were 65 or older, divorced women were still more likely to be working (19 percent of divorced older women worked, compared to 9 percent of widowed women).

- Retirement benefits for widowed women were based on benefits earned by husbands. Although Social Security benefits were highest for widows because their husbands probably earned more than divorced or never-married women, income from pensions and annuities was lowest for widows. Divorced and never-married women had their own pensions. Widowed women received pension income from their husband's pension if he had one and **if** he chose the option to receive benefits until both husband and wife died. Many of the husbands of these women would have retired before the Retirement Equity Act of 1984 became law; this act required that the employee's spouse approve the choice of retirement payment option (*5*).

The expenditures of widowed women were less than expenditures of divorced or never-married women, and their allocation of expenditures was different. Widowed women allocated a higher share of total expenditures to housing, food, and health than the others. Divorced women spent more on apparel and retirement, both work-related expenses. Never-married women allocated more to cash contributions and life insurance.

Given these differences in income and expenditures, as well as socioeconomic characteristics, it appears that marital status is one characteristic that may be related to economic status. Thus, financial planners and educators need to consider marital status when advising on choices concerning employment, use of home equity, investments, or other matters such as living arrangements.

Policymakers may need to recognize that changes in Social Security, eligibility for public programs, and rules regarding employment of older persons affect widowed, divorced, and never-married women differently.

Also, price changes affect these groups differently. For example, price increases in health services, food, or utilities may prove more constrictive for widowed women than for divorced or never-married women since a larger proportion of a widow's budget goes for these commodities.

With the increase in divorced and never-married women in our younger population, it is somewhat reassuring to see that the economic status of older divorced and never-married women appears to be as good or better than that of widowed women. It is important to note, however, that it is not possible to predict the economic status of future older women on the basis of today's older women. The women in this study were born in the first quarter of this century. Their attitudes about earning, saving, and spending are probably different from those of later generations. Certainly their work experiences, access to pensions and Social Security, divorce settlements, and similar factors have been different from those experienced by today's unmarried women.

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Young Husband-Wife Households With Children

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The economic status of young married couples (age of both spouses between 18 and 25 years) with children is often tenuous. Using data from the 1988–89 Consumer Expenditure Surveys, this study examines the characteristics and economic status of these families and compares them with their childless counterparts. Young husbands and wives with children had less formal education than couples without children and, as a consequence, lower incomes. Both groups, however, had total expenditures that exceeded their after-tax income. The majority of young families with and without children were renters. The economic status of young families with children also varied by wife's employment status and number of children.

This study examines the characteristics and economic status, as measured by income and expenditures, of young married couples with children (those where both spouses are between the ages of 18 and 25). Young husband-wife households with children often face economic pressures and time constraints. As a basis of reference, these households are compared with married couples in the same age range without children. They are also examined by wife's employment status and number of children, two important factors distinguishing these families.

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Data

Data for this study are from the interview component of the 1988–89 Consumer Expenditure Surveys (CE) conducted by the Bureau of the Census for the Bureau of Labor Statistics (BLS). The CE is an ongoing survey that collects data on household expenditures, income, and major socioeconomic and demographic characteristics. A national sample of consumer units[2] is interviewed once each quarter for five

[2]A consumer unit consists of either: (1) all members of a particular housing unit who are related by blood, marriage, adoption, or other legal arrangements; (2) two or more people living together who pool their incomes to make joint expenditure decisions; or (3) a person living alone or sharing a household with others or living as a roomer in a private home or lodging house or in permanent living quarters in a hotel or motel, but who is financially independent. To be considered financially independent, at least two of the three major expense categories (housing, food, and other living expenses) have to be provided by the respondent.

consecutive quarters; the first interview is used only for bounding. Using a rotating sample design, about one-fifth of the sample is replaced each quarter. The 1988–89 CE contain information from about 20,000 quarterly interviews each year representing an average of 82.2 million consumer units. Income data are annual, and expenditure data are for the quarter. Expenditures can be annualized by multiplying by four according to BLS methodology. When estimating descriptive statistics, each quarter may be considered an independent sample. Data may be weighted to represent the U.S. noninstitutionalized population.

54% of young families with children had before-tax income below $20,000, compared with 31% of young families without children.

Husband-wife consumer units where both spouses are between the ages of 18 and 25 and are complete income reporters[3] were selected for analysis from all consumer units in the 1988–89 Surveys. By the nature of this selection, these consumer units are equivalent to households or families. Couples where either spouse was not working because he or she was a student were excluded as their situation was not considered typical; such households composed an extremely small percentage of the sample. If a spouse was working and attending school, the household was included. Also excluded were husband-wife households that resided with extended family members such as parents or siblings, or unrelated individuals.

The sample consisted of 338 young husband-wife households with one or more children and 295 young husband-wife households with no children. This sample was weighted to reflect the population of interest using BLS weights. The weighted sample represented a yearly average of 840,000 young husband-wife households with children and 702,000 households without children.

[3]Complete income reporters are respondents who provide values for major sources of income such as wages and salaries, self-employment income, or Social Security income. Complete income reporters may not have provided a full accounting of income from minor sources.

Young Husband-Wife Households With and Without Children

Household Characteristics

The average age of husbands in young husband-wife households both with and without children was 23 and the average age of wives was 22. Sixty-two percent of couples with children had one child, 32 percent had two children, and 6 percent had three or more children (table 1). Households in the two groups were predominantly White.[4] Non-Whites had a slightly larger proportion of households with children than without children.

There was a pronounced difference in the educational level of couples with and without children. Five percent of husbands with children reported obtaining a college degree, compared with 22 percent without children; 25 percent of men with children and 7 percent without children reported less than a high school education.

Similarly, wives with children reported less formal education than did those without. Five percent of women with children reported obtaining a college degree, compared with 19 percent without children; 28 percent of women with children and 8 percent without children reported less than a high school education. Given their young age, both husbands and wives may further their education in future years, especially those without children who have more time and money to devote to nonfamily activities such as college or night school.

[4]Race of the household was determined by race of the reference person.

Table 1. Characteristics of young husband-wife households with and without children, 1988–89

Characteristics	With no children	With children: All families	Wife: Employed	Wife: Nonemployed	Number of children: One	Number of children: Two or more
			Years			
Age						
Husband	23	23	23	23	23	23
Wife	22	22	22	22	22	23
			Percent			
Household size						
No children	100	NA	NA	NA	NA	NA
One child	NA	62	66	54	100	NA
Two children	NA	32	27	41	NA	83
Three or more children	NA	6	7	5	NA	17
Race						
White	93	90	88	95	89	92
Non-White	7	10	12	5	11	8
Education						
Husband						
Less than high school diploma	7	25	25	24	24	25
High school diploma	30	50	52	48	48	57
Some college	41	20	18	24	21	17
College degree	22	5	5	4	7	1
Wife						
Less than high school diploma	8	28	21	42	22	39
High school diploma	41	53	58	43	56	49
Some college	32	14	15	13	17	9
College degree	19	5	6	2	5	3

NA = Not applicable.

Income

Household income was lower for young husband-wife households with children than for their counterparts without children. Average before-tax income for families with children was $20,756 and for families without children, $27,293 (table 2, p. 12). Fifty-four percent of young families with children had a before-tax income below $20,000, compared with 31 percent of young families without children. Only 4 percent of families with children had a before-tax income of $40,000 or more.

The lower income of households with children likely reflects the lower educational levels of the spouses. Another contributing factor (also associated with educational level) was the lower employment rate among wives with children. A large percentage of these wives with children (33 percent) reported being nonemployed[5] because they were taking care of home and family; only 4 percent of wives without children were nonemployed.

Among wives who were employed, most of those with children worked part time, whereas those without children were more likely to work full time.[6] It is well documented that women's employment often is curtailed by child-rearing duties (*2*).

[5]Employed included all persons who worked for money at some time during the year; nonemployed included all persons who did not work for money during the year.

[6]Full-time was defined as working 35 hours or more per week for 50 or more weeks per year, including any time off with pay. Part-time was defined as working less than 35 hours per week or working less than 50 weeks per year.

Table 2. Income and employment status of young husband-wife households with and without children, 1988–89

Income and employment status	With no children	With children: All families	Wife: Employed	Wife: Nonemployed	Number of children: One	Number of children: Two or more
Before-tax income	$27,293	$20,756	$22,516	$17,129	$20,008	$21,971
			Percent			
Household income						
Less than $10,000	7	12	8	22	13	11
$10,000 – $19,999	24	42	40	44	40	45
$20,000 – $29,999	34	26	26	24	28	22
$30,000 – $39,999	21	16	20	10	15	18
$40,000 or more	14	4	6	0	4	4
Employment status						
Husband						
Full time	69	71	73	64	75	63
Part time	31	27	24	34	23	34
Not working	0	2	3	2	2	3
Wife						
Full time	52	17	25	NA	21	11
Part time	44	50	75	NA	51	49
Not working	4	33	NA	100	28	40

NA = Not applicable.

Table 3. Expenditures of young husband-wife households with and without children, 1988–89

Expenditures	With no children	With children: All families	Wife: Employed	Wife: Nonemployed	Number of children: One	Number of children: Two or more
After-tax income	$24,828	$19,783	$21,270	$16,720	$18,990	$21,073
Total expenditures	$25,275	$21,401	$22,189	$19,778	$20,675	$22,582
			Percent			
Housing	28	28	28	30	26	30
Transportation	31	25	25	27	30	20
Food at home	8	13	12	15	12	15
Food away from home	5	3	3	3	3	3
Clothing	5	5	5	5	5	5
Health care	3	4	4	4	4	4
Entertainment	6	6	7	4	5	8
Retirement[1]	8	8	8	6	8	8
Child care	0	2	3	1	2	2
Alcohol and tobacco	2	2	2	2	2	2
Other[2]	4	4	3	3	3	3

[1]Includes Social Security taxes.
[2]Includes personal care items, education, reading, life insurance, and cash contributions.

Expenditures

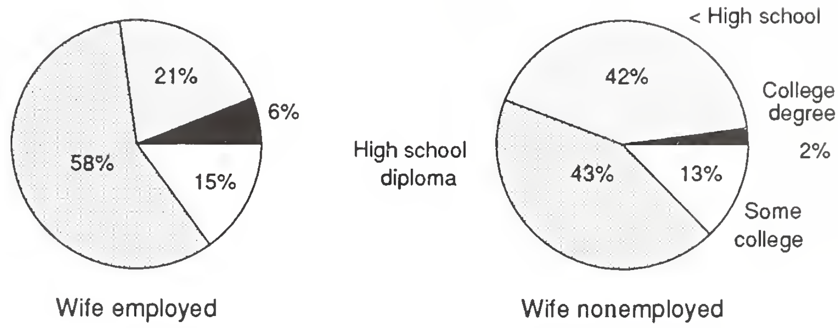
Average total expenses amounted to $21,401 for families with children and $25,275 for those without children (table 3). Young husband-wife households both with and without children reported average total expenditures greater than average after-tax income, indicating they increased debt. For many of these families this excess may be a burden. A study by the Federal Reserve found that 13 percent of indebted households headed by a person under age 25 experienced debt-payment difficulties (*1*).

Housing accounted for 28 percent of total expenditures for both groups. The majority of households with and without children were renters (63 and 74 percent). Thirty-four percent of families with children and 24 percent of those without children owned homes. Remaining families were in other arrangements such as student housing; or they were occupying a unit at no cost.

Transportation consumed 25 percent of total expenditures for households with children and 31 percent for households without children. Families without children owned more vehicles, on average, than those with children; 75 percent of families without children owned two or more vehicles, compared with 62 percent of families with children. Because the wife in households without children was more likely to be employed, these households may have had a greater need for an additional car.

Young families with children spent a larger proportion of total expenditures on food at home than their counterparts without children (13 percent vs. 8 percent); the dollar amount spent on food at home was also higher for families with children. This was expected given their larger household size. In contrast, families without children spent a larger proportion of total expenditures on food away from home than those with children (5 percent vs. 3 percent). Eating out is more practical and affordable for couples without children.

Figure 1. Highest educational level of young wives with children, by wife's employment status, 1988–89



For families with children, 2 percent of total expenditures went to child care. This may seem low. In 1987, however, 37 percent of children under age 5 were cared for by relatives (such as a father or grandparent) when a mother was at work, reducing the need for more costly forms of child care (*3*).

Young Husband-Wife Households With Children, By Wife's Employment

Household Characteristics

The average age of husbands and wives did not vary by wife's working or not working (23 years for husbands and 22 years for wives) (table 1, p. 11). However, households with a wife not in the labor force generally had more children than those in which the wife did work. Forty-six percent of nonemployed women, compared with 34 percent of employed women, had two or more children. With more children, child-care costs are higher, thereby reducing the gains from employment. The percentage of employed wives who were non-White was higher than the percentage of nonemployed wives who were non-White (12 percent vs. 5 percent).

Husbands in both household groups had similar educational levels, but wives did not. Among nonemployed wives, 42 percent had no high school diploma, compared with 21 percent of their counterparts in the labor force (figure 1). In addition to having more children, these women may not be working because their lack of education allows them to obtain only lower paying jobs.

Income

As expected, young husband-wife households with an employed wife had higher incomes than those with the wife not working. Average before-tax income for families with an employed wife was $22,516, whereas that for families where the wife was nonemployed was $17,129 (table 2). Twenty-two percent of families where the wife did not work had a before-tax income of less than $10,000, compared with only 8 percent of families where the wife worked (figure 2, p. 14). The income difference between households with a wife in the labor force and those without an employed wife would have been larger if more wives had been working full time instead of part time.

A higher percentage of husbands worked part time when wives were not in the labor force (34 percent) than when wives were employed (24 percent). These men may be students working part time or, given their lower educational level, working part time involuntarily. It is estimated that almost one-quarter of part-time workers would prefer a full-time job *(4)*.

Expenditures

Average total expenditures were $22,189 for families where the wife was employed and $19,778 for families where the wife was nonemployed (table 3, p. 12). Although both groups had average total expenditures that exceeded average after-tax income, debt was greater in families where the wife was not employed, probably because income was lower; expenditure differences between the two groups were not as great as income differences.

Expenditures for housing, transportation, and food at home accounted for 72 percent of expenditures for families with a nonworking wife, compared with 65 percent in families with a wife in the labor force. A larger percentage of households with a wife at home than households with a wife in the labor force were renters (68 percent vs. 60 percent). The higher income of families with wives working outside the home makes it less difficult for them to save for a downpayment and qualify for a mortgage.

Expenses for food at home made up a larger proportion of total expenditures (and higher dollar amount) for families where the wife did not work outside the home (15 percent) than for families where the wife was employed (12 percent). The larger size of families where the wife did not work probably explains this.

Figure 2. Before-tax income of young households with children, by wife's employment status, 1988–89

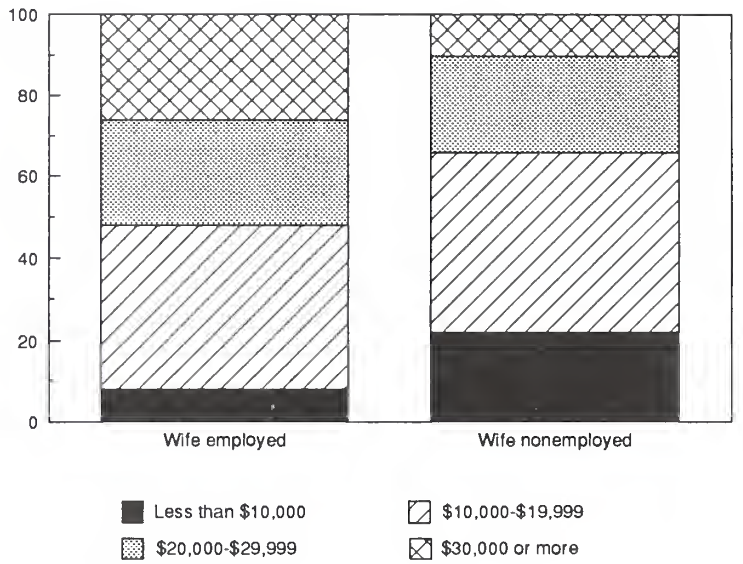


Figure 3. Before-tax income of young households with children, by number of children, 1988–89

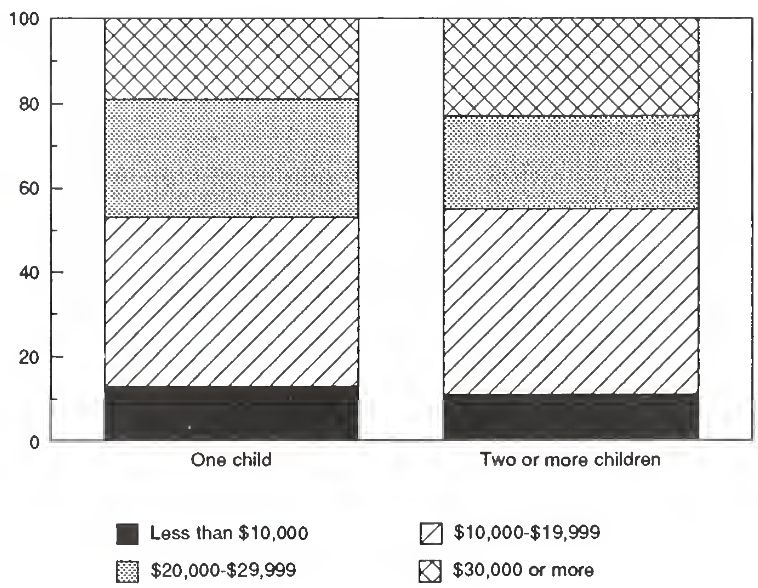
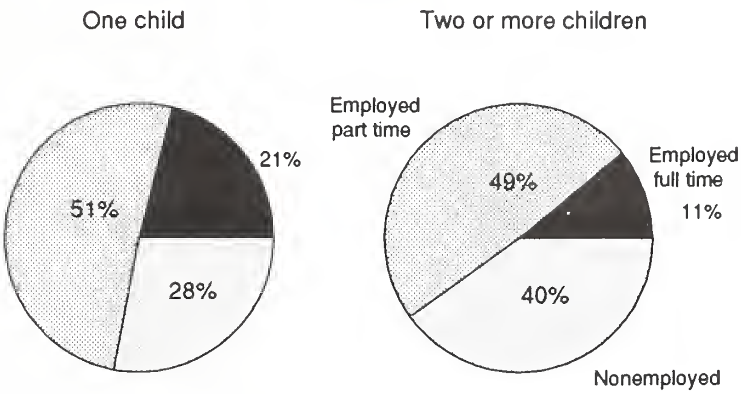


Figure 4. Employment status of young wives with children, by number of children, 1988–89



Child care accounted for 3 percent of the budget for households where the wife worked outside the home. Households with a nonemployed wife had child-care expenditures amounting to 1 percent of total expenses. For families with child care, such expenses can diminish the gains in income from wives' employment.

Young Husband-Wife Households With Children, by Number of Children

Household Characteristics

Among young couples with more than one child, 83 percent had two children and 17 percent had three or more (table 1, p. 11). There was no difference in average age of spouses for the two groups—23 years for husbands and 22 years for wives. Eleven percent of young families with one child were non-White, compared with 8 percent of those with two or more children.

Husbands in households with one child generally had a higher educational level than their counterparts with two or more children; 28 percent of husbands with one child reported some college education or more versus 18 percent of men with two or more children. The same pattern held for wives: 22 percent of wives with one child had some college education or more, compared with 12 percent of women with two or more children.

Income

Household income was lower for young husband-wife families with one child than for those with two or more children. Average before-tax income for one-child households was $20,008, compared with $21,971 for those with two or more children (table 2, p. 12). By income range, 19 percent of households with one child and 22 percent of households with two or more children had a before-tax income of $30,000 or more (figure 3).

... housing, transportation, and food at home accounted for 72% of expenditures for families with a nonworking wife ... 65% in families with a wife in the labor force.

Although the income of families with two or more children was generally higher than that of families with one child, a larger percentage of husbands with two or more children worked part time—34 percent, compared with 23 percent of husbands with one child. The way part-time work was defined (see footnote 5, p. 11) allows for a wide variation in hours worked per week and weeks worked per year. A larger percentage of wives with two or more children were nonemployed (40 percent) than wives with one child (28 percent) (figure 4, p. 15).

Expenditures

Average total expenditures were $20,675 for families with one child and $22,582 for those with two or more children (table 3, p. 12). Housing accounted for the largest and transportation the second largest share of total expenditures for households with two or more children (30 and 20 percent). More than half of both groups rented their homes: 62 percent of one-child households and 66 percent of households with two or more children.

For households with one child, transportation consumed the largest and housing the second largest share of total expenditures (30 and 26 percent). Both groups of households owned two vehicles, on average. New vehicle expenses, however, were higher for families with one child—indicating that more of them purchased new cars.

Food expenditures consumed 15 percent of the budget for families with one child and 18 percent for those with two or more children. Households with two or more children allocated 8 percent of total expenditures to entertainment, compared with 5 percent for those with one child.

Conclusion

Young husband-wife households with children face serious economic pressures. Many of these families have total expenditures that exceed their after-tax income. In addition, few are homeowners; they cannot build equity in a house, which is the major asset of a majority of families.

The economic status of these households may improve over the life cycle. As children grow older, wives may shift from part-time to full-time employment, and husbands may acquire better paying jobs. Higher incomes may be used to repay past debts and to purchase a home. The relatively low educational level of husbands and wives in these households, however, could impede promotions and movement into the labor force. Future research needs to monitor the economic situation of families who have children at a young age to determine which factors contribute to their economic stability or instability.

Future research could also focus on (1) young couples with children by race and (2) young couples with children who live with others. This study did not examine young couples with children by race because the sample size could not support a detailed analysis. Preliminary analysis, however, showed that the after-tax income of young Black couples with children in this study was lower than that of their White counterparts. Given the lower income of young Black families with children, research on these families should focus on ways to improve their economic status.

In addition, this study did not examine young parents who reside with other family members or unrelated individuals. Married couples with children who reside with others probably do so for financial reasons. Research on the economic status of young husband-wife households with children who reside with others would provide information on a segment of the population likely to be in difficult economic circumstances.

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Trends in Entertainment

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Americans spend their entertainment dollars on a great variety of commodities and services, from sporting goods, toys, and pets to club memberships and lessons. In 1989, U.S. households allocated 5.7 percent of their total expenditures to entertainment. Spending on entertainment peaked among families headed by a person between the ages of 35 and 44 and was highest among husband-wife families with a child age 18 or older. Aging baby boomers, with increasing leisure time and discretionary income, will be a positive influence on the entertainment marketplace in years to come.

In 1989 ... average household expenditure for entertainment ... was $1,581 ...

In 1990, prices for entertainment commodities (reading materials, sporting goods and equipment, toys, hobbies, photographic supplies and equipment, and pet supplies and expenses), as measured by the Consumer Price Index (CPI) for all urban consumers, rose 3.5 percent over 1989 (table 1, p. 18). This compares with a 5.4-percent increase for all items. Prices for entertainment services (club memberships, fees for participation sports, lessons or instructions, and admissions) increased more during the same period, up 5.8 percent (*14*).

In 1989,[1] the proportion of total expenditures that U.S. households allocated to entertainment was 5.7 percent. Findings from the 1989 Consumer Expenditure Survey indicate the average household expenditure for entertainment (fees and admissions; television, radios, and sound equipment; and other entertainment supplies, equipment, and services; and reading) was $1,581, an increase of $102 over 1988. Entertainment expenditures ranged from $577 for households in the lowest income quintile to $3,434 for households in the highest income quintile. Households with a reference person age 35–44 spent more than any other age group ($2,270), and households with a reference person age 65 or older spent the least ($857). In terms of household composition, married-couple households with a child age 18 or older had the highest entertainment expenditures ($2,691), and single-person households had the lowest ($868) (*13*).

[1]Participation rate and expenditure dollars are given for the latest year available—usually 1989 or 1990.

Television and Home Entertainment Equipment

Television viewing has been America's favorite pastime for many decades. Although Americans are watching about the same amount of television they did 20 years ago (about 48 hours per household per week (*3*)), the proportion who say it is their favorite way to spend an evening decreased from nearly 50 percent in the early 1970's to less than 25 percent in 1990.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U) [1982–84 = 100]

Expenditure category	Annual average 1989	Annual average 1990	Percent change 1989 to 1990
All items	124.0	130.7	5.4
Food and beverages	124.9	132.1	5.8
Housing	123.0	128.5	4.5
Apparel and upkeep	118.6	124.1	4.6
Transportation	114.1	120.5	5.6
Medical care	149.3	162.8	9.0
Entertainment	126.5	132.4	4.7
Entertainment commodities	119.8	124.0	3.5
Entertainment services	135.4	143.2	5.8
Other goods and services	147.7	159.0	7.7

Source: U.S. Department of Labor, Bureau of Labor Statistics, CPI Detailed Report, January issue (14).

In a Gallup poll, 42 percent of respondents said they watched too much television in 1990, but 72 percent had no plans to change their viewing habits (*15*).

The demand for cable TV and videocassette recorders (VCR's) rose dramatically over the past two decades. Although 95 percent of households owned a television in 1970, only 7 percent of these households had cable TV. By 1980, 98 percent owned televisions and 20 percent of these had cable TV and 1 percent owned VCR's. Nine years later more than half of those households with television had cable TV, and nearly two-thirds owned a VCR (table 2) (*9*).

Admissions

Consumers paid $13.4 billion in admissions to various entertainment events in 1989. This amounted to $53.98 for every man, woman, and child in the United States (table 3) (*4*).

Performing Arts. Consumer expenditures for admissions to performing arts events, such as plays, musicals, and concerts, were $4.9 billion in 1989, a $0.4 billion increase from 1988. Per capita expenditures were $19.74 in 1989, up 59 percent since 1985 (*4*). In constant dollars, per capita expenditures were up 26 percent during the period.

Spectator Sports. Admissions to spectator sports events were $3.5 billion in 1989, an increase of $0.3 billion over 1988. Per capita expenditures were $14.10, up 16 percent since 1985. In constant dollar terms, however, per capita expenditures for spectator sports admissions decreased between 1985 and 1989 (*4*).

Motion Pictures. Admissions to motion picture theaters totaled $5.0 billion in 1989, up $0.6 billion over 1988. Per capita expenditures were $20.14 in 1989, up 35 percent since 1985 (*4*). In constant dollars, per capita expenditures increased by only 7 percent between 1985 and 1989.

Going to the movies was an activity enjoyed by two-thirds of the population age 12 and over in 1990. The Motion Picture Association of America reports that the number of moviegoers[2] remained essentially stable, compared with 1989, at 136.3 million—up from 115.0 million in 1984. The total number of admissions decreased from 1.07 billion in 1984 to 0.97 billion in 1990 because of fewer admissions per moviegoer—9.3 in 1984, compared with 7.1 in 1990 (*2*).

The population of moviegoers is aging. People age 40 and over, who accounted for one-quarter of all moviegoers in 1984, accounted for one-third in 1990. In contrast, people under age 30, who accounted for two-thirds of all moviegoers in 1984, showed a drop in their admissions' share to 56 percent in 1990 (*2*).

Part of the trend in the changing demographics of moviegoers may be explained by the increasing price of admission to movie theaters. The price per admission averaged $3.36 in 1984 and $4.75 in 1990. Another contributing factor may be the sharp drop in the number of drive-in movie screens: from 2,832 screens in 1984 to just 915 screens in 1990. During the same time period, indoor movie screens increased in number from 17,368 to 22,774 (*3*).

People who do not attend movies in theaters may prefer the comfort of their own home for movie viewing. There were 220 million prerecorded videocassettes sold to U.S. dealers in 1990, compared with only 3 million in 1980. Similarly, the sale of blank videocassettes to U.S. consumers increased to 325 million in 1990 from 15 million in 1980 (*3*).

[2]A moviegoer is defined as a person age 12 or over who has seen at least one film at a theater within the last 12 months.

Table 2. Ownership of home entertainment equipment, selected years

Households with	1970	1975	1980	1985	1989
			Percent		
Television	95.3	97.1	97.9	98.1	98.2
Cable TV[1]	6.7	12.6	19.9	42.8	52.8
VCR's[1]	NA	NA	1.1	20.8	64.6

[1]Percent of households with television.
NA = Not available.

Source: U.S. Department of Commerce, Bureau of the Census, 1990, Statistical Abstract of the United States, 1990, [110th ed.]

Table 3. Per capita expenditures for specified entertainments, 1985–89

Admission expenditures	1985	1986	1987	1988	1989
Total	**$39.55**	**$42.02**	**$46.15**	**$49.38**	**$53.98**
Movie theater	14.94	16.15	17.31	18.00	20.14
Performing arts	12.44	13.81	16.36	18.24	19.74
Spectator sports	12.17	12.06	12.48	13.15	14.10

Source: National Endowment for the Arts, 1990, Research Division Note #34.

Travel

In the United States, summer is the peak travel season. Americans took 222.6 million trips[3] in June, July, and August of 1990, a 5-percent increase over the previous summer. The vast majority of these trips were also identified as vacation trips. Recent trends in summer travel include shorter trips, smaller travel parties, and more diversity in travelers' needs and wants (*7*).

[3]A trip is counted each time one adult or more travels 100 miles or more away from home and returns. Pleasure trips are travel for entertainment, to visit friends or relatives, or for some sort of outdoor recreation such as boating, camping, fishing, or hunting. Vacations are defined by the traveler.

In 1990, most summer travelers (82 percent) drove their own care, truck, or recreational vehicle; 14 percent traveled by airplane; and 4 percent, by some other means. Americans spent an average of $1,146 on a vacation trip and traveled a total of 830 miles. The South was the leading destination for summer trips, followed by the Midwest, the West, and the Northeast. Six percent of trips were taken outside the United States (see figure) (*7*).

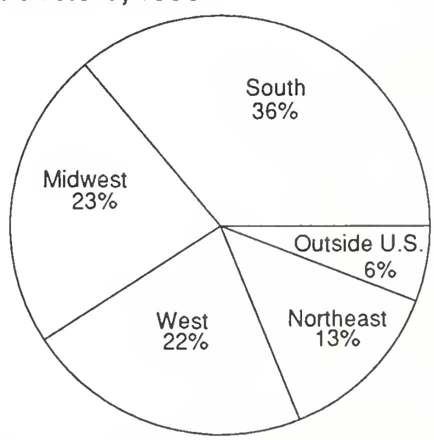
Most travelers stayed with friends or relatives rather than in a hotel. In 1989, the average daily rent per occupied room in the United States was $87.80 for hotels, $47.00 for motor hotels, and $38.60 for economy hotels (*10*).

An increasing number of summer trips do not involve all household members. In 1990, the typical summer vacation party consisted of just two people. Summer travelers were likely to be young and middle-age adults. People between 18 and 34 years old (37 percent of the adult population) took 41 percent of all summer trips; people age 35 to 54 (34 percent of the adult population) took 38 percent of all summer trips (*7*).

The average overnight summer vacation trip in 1990 lasted 5.1 nights. This figure is expected to decline slightly in 1991. Trips of one to three nights are increasing in popularity (*7*).

A survey done by the Roper Organization in 1987 and in 1990 asked adults what they prefer to do on their vacation. Those who want to "go away, do many things" decreased from 51 to 44 percent; those who want to "go away, sit and relax" increased from 23 to 25 percent; and those who want to "stay home and relax" increased from 17 to 22 percent. Two or more short vacations or a number of weekend trips are preferred by 63 percent of Americans, whereas one long vacation was preferred by 25 percent (*7*).

Summer destinations of U.S. travelers, 1990



Source: Schwartz, J., 1991, What you do on your summer vacation, American Demographics 13(8):32-37.

In 1990, exercise walking replaced swimming as the sport with the highest number of participants.

Sports

According to the National Sporting Goods Association, sales of sporting goods totaled $44.1 billion in 1990, up from $16.7 billion in 1980. During this time period, the amount spent on sports equipment nearly doubled, sales of recreational transport (bicycles, pleasure boats, RV's, and snowmobiles) nearly tripled, and sales of sports-related clothing and footwear nearly quadrupled (*6*).

In 1990, exercise walking replaced swimming as the sport with the highest number of participants (defined as having engaged in the sport more than once) (table 4). Among persons 7 years and older, 71.4 million reported walking for exercise more than once in 1990. Next in popularity were swimming, bicycling, fishing, and camping. Working out at a club, an activity not even surveyed until 1989, was reported by 20.3 million people in 1990, up from 16.6 million in 1989. The new concept of inline rollerskating or rollerblading, reported for the first time in 1990, was enjoyed by 3.6 million people. Other activities that showed increased participation over the past few years were bowling, basketball, golf, hiking, and back-packing (*6*).

Table 4. Top 20 participation[1] sports in 1990

	Millions
1. Exercise walking	71.4
2. Swimming	67.5
3. Bicycle riding	55.3
4. Fishing	46.9
5. Camping	46.2
6. Bowling	40.1
7. Exercising with equipment	35.3
8. Boating (motor)	28.6
9. Billiards/pool	28.1
10. Basketball	26.3
11. Running/jogging	23.8
12. Aerobic exercising	23.3
13. Volleyball	23.2
14. Golf	23.0
15. Hiking	22.0
16. Softball	20.1
17. Hunting with firearms	18.5
18. Tennis	18.4
19. Rollerskating	18.0
20. Dart throwing	16.4

[1]Engaged in more than once by persons age 7 years and older.

Source: National Sporting Goods Association, 1990, NSGA News Release.

Boating

According to the National Marine Manufacturers Association, an estimated 73 million Americans participated in recreational boating at least once in 1990. That year $13.7 billion was spent on new and used boats, motors and engines, accessories, safety equipment, fuel, insurance, docking, maintenance, launching, storage, repairs, and club memberships (*5*).

There were 11.8 million recreational boats owned in 1980. By 1990, the number had increased to 16.0 million, half of which were outboard boats. Between 1980 and 1990, there was an increase in sales of inboard boats, inboard/outdrive boats, inflatable boats, and sailboards, while sales of outboard boats, sailboats, and canoes declined. The State of Michigan ranks first in the United States in the number of registered boats, followed by California, Florida, Minnesota, and Texas (*5*).

Fishing and Wildlife

According to the U.S. Fish and Wildlife Service, wildlife-associated recreation is enjoyed by most Americans. In 1985 (the most recent survey available), 77 percent of the U.S. population age 16 and over enjoyed some form of wildlife-related recreation (*11*).

There were 46.4 million people who fished in 1985, spending $28.1 billion pursuing their sport, for an average expenditure of $607. An additional 12.2 million youths ages 6–15 fished. Fishing, enjoyed by 37 percent of men and 16 percent of women, was most popular among people ages 16–17 and 25–44 (31 percent participation). People age 65 or older were less likely to enjoy fishing (13 percent participation) (*11*).

There were 16.7 million people who hunted in 1985, spending $10.1 billion for an average expenditure of $603 per hunter. Also, 1.8 million youths ages 6–15 hunted. About 18 percent of men hunted, compared with 2 percent of women. The participation rate was highest for those ages 16–17 (14 percent) and lowest for those age 65 and older (3 percent) (*11*).

Nonconsumptive wildlife-related recreation (observing, photographing, and feeding fish and wildlife) was enjoyed by 134.7 million Americans age 16 and over. These participants spent over $14.3 billion on these activities, averaging $221 per person. An additional 26.3 million youths ages 6–15 also participated. Of those who participated in nonconsumptive wildlife-related recreation, the majority were women (*11*).

National Parks and Forests

There are 76.9 million acres of land in the U.S. National Park System. The System includes parks, monuments, historical and military areas, battlefields, parkways, recreation areas, preserves, rivers, seashores, and lakeshores. There were 258.7 million recreation visits[4] to the National Park System in 1990, up from about 190 million in 1980. Most recreation visits took place during the summer months. Among the most popular attractions in the National Park System are the Blue Ridge Parkway (16.9 million visitors in 1990), Golden Gate National Recreation Area (14.6 million), Lake Mead National Recreation Area (8.6 million), Great Smoky Mountains National Park (8.1 million), and National Capital Parks (7.5 million) (*12*).

The National Forest System consists of 191 million acres of land in 44 States. The number of people visiting national forests has increased over the past decade. There were 234 million recreation visitor-days[5] in 1980 and 263 million in 1990. The national forests provide 40 percent of the outdoor recreation activities that take place on federally managed land—more than any other agency. Recreational activities that take place in national forests include mechanized travel and viewing scenery, camping, picnicking, swimming, hiking, horseback riding, water travel, hunting, winter sports, fishing, and nature studies (*8*).

[4]A recreation visit is the entry of a person, except National Park System (NPS) personnel, onto lands or waters administered by the NPS for recreational purposes.
[5]One recreation visitor-day is the entertainment use of national forest land or water that aggregates 12 visitor-hours. This may entail 1 person for 12 hours, 12 persons for 1 hour, or any equivalent combination of individual or group use.

Pets

Pet ownership has been increasing in recent years. In 1990, according to the American Pet Products Manufacturers Association, 52.6 million households, or 57 percent of all U.S. households, owned a pet (table 5). The most popular pets were dogs, owned by 38 percent of all households, followed by cats, fish, birds, and small animals, including hamsters, rabbits, gerbils, guinea pigs, and turtles. Cat ownership increased faster than ownership of other types of pets between 1988 and 1990. Sales of pet supplies, excluding food products, are now approaching $2 billion in annual sales, and are increasing at about 5 percent per year (*1*).

Table 5. Pet ownership, 1988 and 1990

Animal	Households owning		Number of pets	
	1988	1990	1988	1990[1]
	Percent		Millions	
Any pet	56	57		
Dogs	37	38	51.2	54.2
Cats	30	33	51.6	60.3
Birds	6	6	13.9	11.8
Small animals	4	4	8.8	7.2
Freshwater fish[2]	8	8	94.5	73.1
Marine fish	NA	0.5	NA	4.7

[1]1990 numbers are projected.
[2]1988 numbers include Marine fish.
NA = Not available.

Source: American Pet Products Manufacturers Association, Executive Summary: National Pet Owners Study, May 1990.

Implications

Americans are finding new ways to spend their leisure time and their entertainment dollars. Most of the trends reported in this article can be attributed to demographic patterns related to an aging population, the movement toward healthier lifestyles, or new technology. In 1989, people age 35–44 (baby boomers) spent more than those in other age groups on recreation and entertainment. As these baby boomers grow older, they will likely have increasing amounts of leisure time and discretionary income to spend in entertainment and recreational activities. Those government agencies that provide social and environmental services (Forest Service, National Park Service, Fish and Wildlife Services), as well as people in the entertainment industry and the recreational market, will need to consider these demographic, lifestyle, and technology trends when planning for the 21st century.

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Pension Benefits

The percentage of an employee's preretirement salary that is replaced by benefits from a pension plan can vary widely, based on the employee's age and work history. The 1989 Employee Benefits Survey, conducted by the Bureau of Labor Statistics, covered 32 million full-time employees in about 109,000 medium and large private establishments. Data from the Survey were used to examine workers' replacement rates—the percentage of the final year's salary provided by a pension payment.

Retirement income generally comes from three sources: employer-sponsored benefit plans; government benefit plans, particularly Social Security; and personal savings. Social Security can replace up to 40 percent of an employee's preretirement income. Employer plans other than pensions, such as savings and thrift plans and profit-sharing plans, can also provide retirement income. In addition, retirees usually require less than full replacement of their final salary, due to changes in their tax status, expenses, and lifestyle.

Defined Benefit Pension Plans

Through a fixed formula, typically based on salary and length of time as a plan participant, defined benefit pension plans specify the amount of pension payment a retiree will receive. For example, a plan might specify annual benefits equal to 1 percent of final salary multiplied by the number of years of participation in the plan. According to the 1989 Survey, 63 percent of full-time employees in medium and large private establishments participated in defined benefit pension plans.

Another type of defined benefit pension plan specifies a fixed dollar amount per year of participation in the plan, regardless of salary. This type is more prevalent among blue-collar than white-collar workers.

In addition to providing information on benefit formulas, the Employee Benefits Survey supplies data on numerous other plan provisions (such as age and length-of-service requirements that employees must meet in order to retire) needed to determine the amount and timing of benefits. Because there is a wide range of plan provisions, it is difficult to compare individual pension plans strictly on their characteristics. To overcome these difficulties, a dollar payment and, from that, a percentage of final salary or **the replacement rate** can be computed for each plan. Given certain assumptions regarding age, salary, and length of participation, a comparison of individual plans can be made based on the percentage of final salary each will replace.

All of the pension plans studied in the Survey include the length of participation in the computation of benefits; therefore, replacement rates rise with the number of years of participation in the plan. Salary also affects replacement rates, as does the retiree's age. Benefits vary by age because plans usually impose reductions if benefits are received before a given age (see table, p. 24).

Defined benefit pension plans specify age and length-of-service requirements for retirement with **normal retirement benefits**. Nearly all plans also offer **early retirement benefits** to those retiring before the normal retirement age. Payments are computed from the plan's normal retirement formula, but are reduced to account for receipt over a longer period of time.

For all pension plan participants eligible to retire at age 55 with 20 years of participation, whether with reduced or unreduced benefits, the replacement rate for the retiree with a final salary of $35,000 averaged 13.4 percent in 1989. The same employees could expect an average replacement rate of 17.4 percent if they retired at age 60, 18.8 percent at age 62, and 20.1 percent at age 65.

Social Security benefits for older Americans are available beginning at age 62. Normal retirement benefits are currently available beginning at age 65, although the age for eligibility will gradually rise to 67 over the next several decades. Reduced benefits will continue to be available at age 62, but greater reductions for early receipt of benefits will be imposed to account for the increased time between normal and early retirement.

The Social Security replacement rate data show variations by final salary level for employees of similar ages and with similar numbers of years of employment covered by Social Security. The following tabulation is for employees age 65 with 30 years of covered service:

Final salary	Social Security replacement rate
	Percent
$25,000	37.8
$35,000	29.4
$45,000	23.8

There is a 20 percent difference between Social Security benefits at age 62 and at age 65, whereas the difference in average pension benefits at these ages is only about 5 percent.

Benefits for Married Employees

A periodic payment that ceases when the retiree dies is known as a **straight-life annuity.** Since the mid-1970's, defined benefit pension plans have been required by law to offer an alternative form of payment, designed to protect a surviving spouse after a retiree dies. This benefit, a **qualified joint-and-survivor annuity**, provides a reduced pension to the retiree, followed by payment of a portion of that reduced

Average proportion of final salary replaced by defined benefit pension plan and Social Security payments, 1989[1]

Final annual salary and source of benefits	10: Age 62	10: Age 65	20: Age 62	20: Age 65	30: Age 62	30: Age 65	40: Age 62	40: Age 65
	Percent							
$15,000–total	31.5	37.9	49.9	59.2	67.8	79.2	78.8	88.5
Pension	11.6	12.7	22.6	24.1	33.1	34.4	41.8	43.7
Social Security	19.9	25.3	27.4	35.0	34.7	44.8	37.0	44.8
$25,000–total	25.4	30.4	41.6	49.5	57.1	67.1	66.4	75.2
Pension	10.4	11.2	19.3	20.6	28.1	29.4	35.1	36.9
Social Security	14.9	19.2	22.2	28.9	29.0	37.8	31.3	38.3
$35,000–total	22.7	27.2	37.7	44.8	50.8	58.4	58.2	65.6
Pension	9.9	10.6	18.8	20.1	27.4	28.9	34.0	35.9
Social Security	12.8	16.7	18.8	24.6	23.5	29.4	24.3	29.6
$45,000–total	21.1	25.3	34.7	41.1	46.4	52.8	53.3	59.7
Pension	9.8	10.5	18.7	20.0	27.4	29.0	33.8	35.7
Social Security	11.3	14.9	16.0	21.1	18.9	23.8	19.5	23.9

(Column groups: Years of participation in plan and retirement age — 10, 20, 30, 40.)

[1]For full-time employees in medium and large private establishments.

Note: Average replacement rates are for only those workers in plans permitting retirement at the given combination of age and number of years of participation in plan. Because of rounding, sums of individual items may not equal totals.

pension to a surviving spouse after the retiree dies. In the mid-1980's, the joint-and-survivor benefit became the standard pension form for married employees.

Calculations for a joint-and-survivor annuity are designed to provide the same total benefit that, on average, would be paid to the individual retiree, except that it is spread out over the lifetime of both the employee and the spouse. Only with the written consent of both spouses can a married employee choose something other than the joint-and-survivor benefit. By law, a plan must offer a 50-percent joint-and-survivor benefit; that is, a reduced annuity to the retiree and 50 percent of that reduced amount to the surviving spouse.

Surviving Spouse Benefits

If an employee dies before retirement, the surviving spouse can receive benefits from a **qualified preretirement survivor annuity**. Benefits to the surviving spouse begin at the earliest time that the employee would have been eligible to retire. Typically, payments are equal to the benefit that would have been received at that date had the employee retired with a joint-and-survivor annuity and then died.

The following replacement rates assume that the spouse was the same age and had no benefits based on personal work experience.[1] At age 62 with a final salary of $35,000, an employee completing 30 years of participation in a plan would, on average, have a total replacement rate of 59.1 percent at age 62 and 70.1 at age 65.

Source of benefits	Age 62	Age 65
	Percent	
Joint-and-survivor pension	24.6	25.9
Social Security		
Individual's	23.5	29.4
Spouse's	11.0	14.7
Total replacement rate	59.1	70.1

Social Security benefits are available to surviving spouses at age 60, or earlier if the spouse has dependent children. If benefits are paid before the normal retirement age (currently age 65), the amount is reduced.

Other Retirement Income

Also available to some employees are **defined contribution plans**, which specify the employer's contribution to employee accounts but do not guarantee future benefits. Included in defined contribution plans are savings and thrift, profit sharing, and money purchase pension plans.[2] In 1989, 48 percent of full-time employees in medium and large private establishments participated in one or more defined contribution plans. Most of these employees were in plans designed to provide benefits at retirement.

Benefits from defined contribution plans are generally paid in a lump sum, from which a retiree may purchase an annuity providing periodic lifetime payments. Some employees have the opportunity to participate in both a defined contribution plan and a defined benefit plan. In 1989, 45 percent of defined benefit pension plan participants were also enrolled in one or more defined contribution plans, usually a savings and thrift plan.

Source: Wiatrowski, W., 1991, New survey data on pension benefits, *Monthly Labor Review* 114(8):8-22, U.S. Department of Labor, Bureau of Labor Statistics.

[1]The recent rise in two-worker couples suggests that these replacement rates may not account for all benefits actually available. Independent benefits received by the spouse, other benefit plans, and personal savings could all add to the total replacement rate.

[2]A savings and thrift plan requires an employee to contribute a percent of salary, which is typically matched, in whole or in part, by the employer. A profit-sharing plan determines benefits on the basis of a stated formula or at the discretion of a board of directors. Benefits are then allocated to individual employees, typically based on salary. A money purchase pension plan provides a fixed employer contribution to an employee account each year.

U.S. Real Income and Wage Trends

From 1982 through 1989, real Gross National Product (GNP) grew at an annual rate of 3.5 percent. Given this impressive growth in real GNP, it would seem that living standards in the United States have improved over the last decade. However, analysts have suggested that aggregate income growth rates are misleading indicators of how well the typical worker or household fared. During the 1980's, real wages stagnated in the United States.

Confusion about U.S. real income trends arises from an imprecise use of income measures and inappropriate comparisons of time periods. Alternative income measures may indicate different growth rates because they include different kinds of income.

The National Income and Product Accounts (NIPA) reports three measures of income. The narrowest income measure is annual wages and salaries per worker for the entire work force. A slightly broader measure of income is total compensation per worker, which includes the cost of fringe benefits. Since 1979, fringe benefits have grown at least 20 percent faster than wages and salaries each year. The broadest measure of income is personal income, which adds proprietors' income, dividends, rents, and transfers to compensation, but subtracts employer contributions for social insurance.

Although real per capita personal income and per capita money income have grown, wages and salaries per worker were below 1973 levels until 1987. What little growth occurred in compensation was in the form of non-wage supplements such as fringe benefits.

Mean family income (1989 dollars)

Quintile	1979	1989	Percent change
Lowest	$5,994	$5,886	-2.1
Second	15,306	15,107	-1.3
Middle	25,609	25,823	0.8
Fourth	38,680	40,374	4.4
Highest	68,230	77,716	13.9
Average	**30,764**	**32,978**	**7.2**

The divergence between the growth of real per capita personal income and the growth in worker income can be attributed to the growth in the labor force participation rate and the change in compensation's share of personal income. Most of the growth in per capita personal income over the last 25 years has been due to the rapid expansion of jobs relative to the population. From 1973 to 1979, annual employment growth exceeded population growth by 1.5 percentage points. Almost two-thirds of this employment growth was accounted for by women. After 1979, the compensation share of income declined, reflecting lower hourly wage rates and the strong growth in income from nonlabor sources.

An important contributing factor was the decline in real hourly wage rates of nonsupervisory and production workers in the private sector. This decline was less for year-round, full-time workers than for temporary part-time workers.

The fall in hourly wage rates was exacerbated by a downward trend in hours per week or per year. If the increase in leisure time has value, then the decline in weekly earnings may overstate any decline in workers' true living standards. Therefore, when assessing living standards on the basis of weekly wage trends, there must be some judgment about how voluntary the decline in hours has been.

Household Income Trends

Income trends are best understood from the standpoint of the basic economic unit, the family or household, rather than from that of the worker or the population at large. Income per household has not grown as fast as per capita personal income because of decreasing household size and the increase in the proportion of the population living outside the family unit. However, because the number of workers per household has increased and the share of household income from sources other than labor has grown, income per household has grown faster than wages and salaries per worker.

Income inequality among households increased markedly during the period from 1979 to 1989. The average 7-percent rise in real family incomes was exceeded only by the top quintile. Mean family income for the top quintile grew 14 percent while the bottom quintile income contracted 2 percent (see table). These household income trends are consistent with the decline in the labor earnings share of income and with the greater decline in the wage rates of nonsupervisory and production workers.

Source: Kroch, E., 1991, Recent real income and wage trends in the United States, *Federal Reserve Bank of New York Quarterly Review* 16(2):36-39.

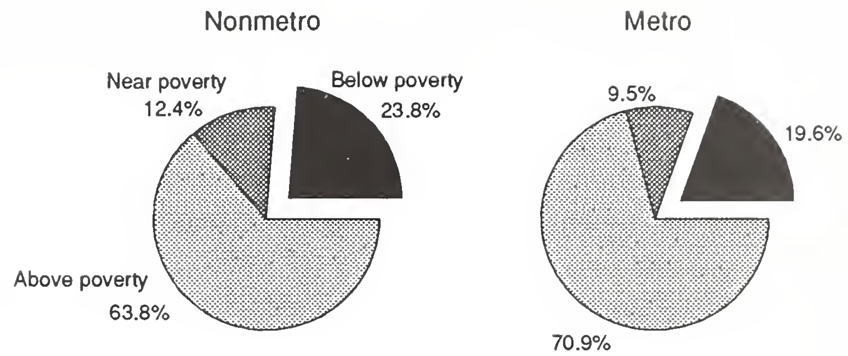
Nonmetro and Metro Children

In the past, differences between rural and urban living were observed. Research had identified several attributes associated with rural living: more traditional attitudes about families, higher fertility rates, larger households, earlier age at marriage, and out-migration of couples of childbearing age. Consequently, for many years, metro and nonmetro areas differed in their patterns of household and family size, growth, and structure, with rural and nonmetro areas having higher proportions of married-couple households with minor children, a smaller percentage of single-parent families, and a much lower proportion of persons living alone.

Since the 1970's, changes in rural families have paralleled changes in urban families with higher divorce rates, lower fertility rates, smaller families, more women working outside the home, and a growing diversity in employment. Today, nonmetro and metro families are very similar with regard to family size, age and number of children, family living arrangements, and types of child-care arrangements. However, there is a greater proportion of nonmetro than metro children who live in families that are below the poverty level.

Between 1980 and 1988, the average U.S. family size declined from 3.27 persons to 3.17 persons. By 1988, metro and nonmetro areas were nearly identical in family size. In both metro and nonmetro areas, 39 percent of children lived in two-child families. The age distributions of metro and nonmetro children were also very similar, with about one-third under 6 years old, one-third, 6 to 12 years old, and one-third, 12 to 17 years old.

Children in poverty, 1987



Near poverty: Family income up to 1 1/2 times the poverty level.
Above poverty: Family income greater than 1 1/2 times the poverty level.

The number of children in both metro and nonmetro areas who live with a single parent is at an all-time high. Between 1980 and 1988, the proportion of children who lived in single-parent families increased from 20 to 25 percent in nonmetro areas and from 25 to 29 percent in metro areas.

Increased numbers of single-parent families and working mothers with young children have resulted in an increased demand for child care. In 1988, 56 percent of mothers with children under age 6 were in the labor force. The most frequently reported type of child-care arrangement for children under age 6 was similar for metro and nonmetro areas. About 29 percent of these children were cared for in their own home by either a relative or a nonrelative. Arrangements outside the child's home varied. Twenty-four percent of nonmetro children were cared for by a nonrelative in another home, compared with 20 percent of metro children, and 25 percent of nonmetro children were cared for in a group situation (nursery school, preschool, or day-care center), compared with 33 percent of metro children. More group child-care facilities are located in metro areas, as lower population density in nonmetro areas makes group care services less economically feasible there.

Differences exist in the economic well-being of children in metro and nonmetro areas. Poverty status is determined by comparing total family income to a poverty threshold, adjusted according to family size, number of children, and age of the household head. In 1987, 24 percent of nonmetro children were in families below the poverty line, compared with 20 percent of metro children (see figure). When the poor are combined with the "near poor" (family income up to 1 1/2 times the poverty level), 36 percent of nonmetro children lived in poverty or near poverty, compared with 29 percent of metro children.

Family type and race also have an influence on economic well-being. About 56 percent of Black children lived in mother-only families, compared with 16 percent of White children. Of these children in mother-only families, Black nonmetro children had the greatest probability of being poor (75 percent), followed by Black metro children (65 percent), White nonmetro children (53 percent), and White metro children (44 percent).

Source: Rogers, C.C., 1991, Nonmetro/metro children: Similar families, different economic conditions, *Rural Development Perspectives* 7(*1*):40-41, U.S. Department of Agriculture, Economic Research Service.

Recent Legislation Affecting Families

Public Law 102-119 (enacted October 7, 1991)—the Individuals with Disabilities Education Act Amendments of 1991 extends and expands the Federal program for disabled infants and toddlers. Early intervention programs for infants and toddlers with disabilities are authorized for $220 million in 1992, and such sums as necessary (to keep up with inflation) in 1993 and 1994. In addition, the new law recognizes the central role played by families in designing and implementing effective early intervention services for their infants and toddlers with disabilities. The bill authorizes $15.1 million in 1992, $16.3 million in 1993, and $17.6 million in 1994 for grants to private nonprofit organizations to be used to train the parents of disabled infants and children. The bill aims to improve coordination between early intervention programs for children from birth to age 2 and preschool programs for those ages 3–5 and guarantees each State will receive at least $500,000 annually in Federal early intervention funds.

Public Law 102-164 (enacted November 15, 1991)—the Federal Supplemental Compensation Act of 1991 extends unemployment benefits for nearly 3 million Americans. To cover the cost ($5.3 billion) of the extended benefits, the bill tightens a loophole on those paying quarterly taxes; extends a law allowing the Internal Revenue Service to collect money owed the Federal Government; extends the Federal unemployment tax at 0.08 percent; and garnishees the wages of those who default on student loans. The bill expires on June 13, 1992. This is the first time that Congress has voted to extend unemployment benefits for the jobless since 1983.

Public Law 102-166 (enacted November 21, 1991)—the Civil Rights Act of 1991 clarifies and reaffirms the right of workers to bring job discrimination lawsuits. For the first time, limited money damages can be awarded to victims of harassment and other intentional discrimination based on sex, religion, or disability. The bill sets a cap on these damages for intentional bias, ranging from $50,000 for companies with 100 or fewer workers to $300,000 for employers with more than 500 workers. Also prohibited are racial harassment and other forms of bias that occur after a person is hired, and an employer may not make an employment decision based on race, color, religion, sex, or national origin. The legislation establishes a commission, appointed jointly by the President and Congress, to examine the "glass ceiling" that prevents women and minorities from rising to the top in corporate America. The bill also prohibits "race norming" of tests used for employment or promotion; that is, adjusting or setting different cutoff scores on the basis of race or other classifications.

Current Regional Research Project

W-176. Housing and Locational Decisions of the Maturing Population: Opportunities for the Western Region

Administrative adviser:
Dr. K. Green
Oregon State University
Corvallis, OR 97331

Cooperating States (Universities): University of Arizona, Colorado State University, University of Idaho, Michigan State University, University of Nevada, Oregon State University, Utah State University, Washington State University, University of Wyoming.

Project dates: October 1986 to September 1991

Objectives: Develop a profile of selected aging populations, including those who relocate, make seasonal moves, or age-in-place; identify considerations relevant to residential characteristics, support services, and finances important to informed housing decisions; compare the mid- and later-life housing and locational decisions of rural and urban residents, especially rural-directed relocation; develop decisionmaking criteria and strategies for family mid- and later-life housing and locational choices; and compare the aging population's housing and locational needs and choices with the rural communities' views and policies.

Approach: Using ZIP code demography, counties with high portions of the selected populations, 40 years and over, were identified. Sampling frames were developed to represent rural and urban populations for random sampling in counties so identified. A mail questionnaire and common procedures were used to collect data. To explore the potential for rural revitalization, considerations identified by householders were compared with attitudes of community and county governments concerning the desirability and feasibility of housing an aging population. Each State contributed to a regional data base and State and regional analysis. The investigators worked with the Cooperative Extension System to develop and refine decision strategies for dissemination to target audiences.

Progress: Data were collected from independent, age-stratified random samples of nine land-grant universities. The survey population consisted entirely of university employees. A total of 5,662 usable questionnaires was obtained from the 9 states. The regional data collection instrument, "Thinking ahead to retirement: Community and housing choices," had two sections: The first contained questions that were used in all States, and the second included questions that were State-specific. Respondents indicated the degree to which each of 12 community characteristics would be important for selecting a community in which to live during the first 10 years of retirement.

In 1990, questionnaires were distributed to an age-stratified (40 to 65 years) random sample of the general population in Oregon, Idaho, Utah, and Michigan. Coded responses were sent to the Social and Economic Sciences Research Center at Washington State University where a data tape was developed. A data base book and technical report, "Housing and locational retirement decisions: A study of pre-retirees in four States," were prepared.

Findings: The characteristics deemed more important by university respondents included: medical facilities, low utility rates, low cost of living, library facilities, and recreational facilities. Medical facilities were measured separately and were important to 96 percent of the respondents. Respondents with higher incomes, who were older, or who were in poorer health wanted higher levels of medical service available in their retirement community.

Publications: A special issue of *Housing and Society* (Volume 17, Number 2, 1990) was devoted to research from this regional project. Articles included:

Iams, D.R., et al. Environmental quality: A factor in the selection of a retirement community.

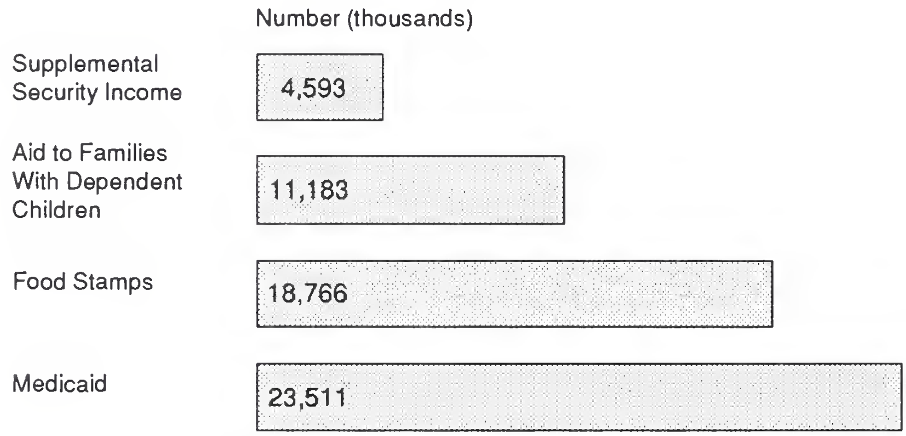
Junk, V.W. and Dillman, J.J. The importance of retirement community characteristics: Viewpoint of a maturing population.

McFadden, J.R. and Makela, C. Housing and community retirement preferences: Are they related to anticipated sources of retirement income.

Tripple, P.A., et al. Elder cottage housing: A housing alternative for the older population.

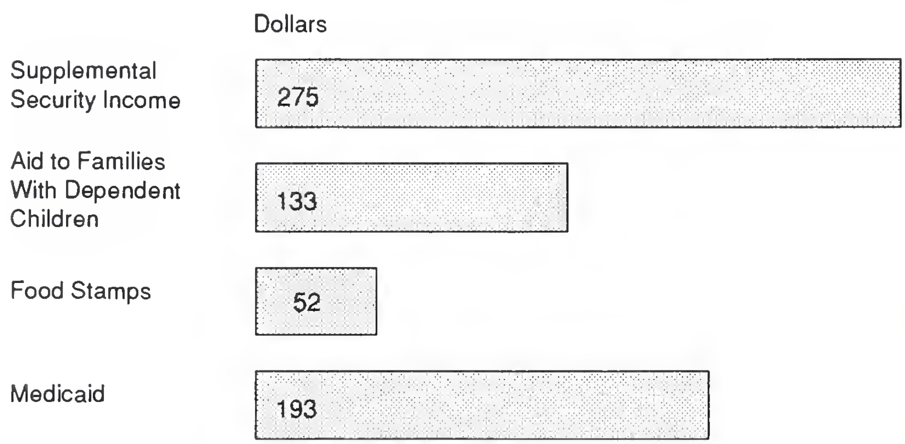
Charts From Federal Data Sources

Number of persons receiving cash and noncash benefits, 1989



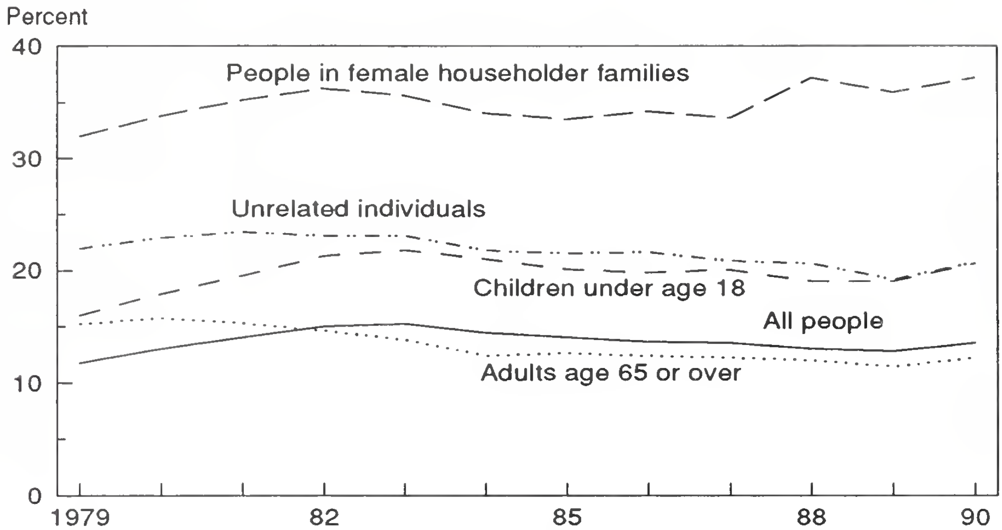
Source: U.S. Department of Health and Human Services, 1990, Social Security Administration, Social Security Bulletin, Annual Statistical Supplement, 1990.

Average monthly benefit among recipients, 1989



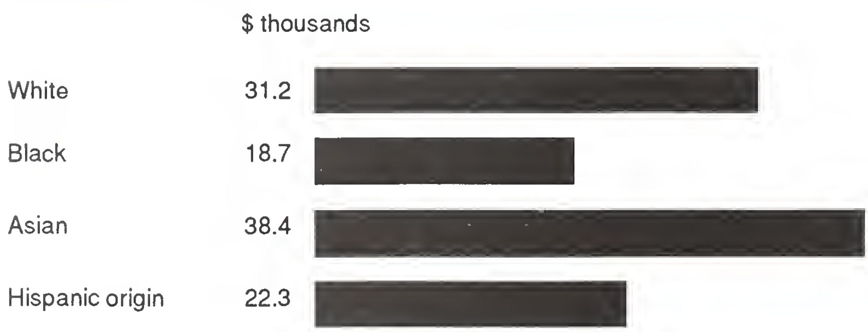
Source: U.S. Department of Health and Human Services, 1990, Social Security Administration, Social Security Bulletin, Annual Statistical Supplement, 1990.

Poverty rate for individuals



Source: U.S. Department of Commerce, Bureau of the Census, Annual Reports of Income and Poverty, Current Population Reports, Series P-60.

Median income: Households, 1990



Median income: Families, 1990

Source: U.S. Department of Commerce, Bureau of the Census, 1991, Money Income of Households, Families, and Persons in the United States: 1990, Series P-60, No. 174.

Data Sources

Residential Energy Consumption Survey (RECS)

Sponsoring agency: U.S. Department of Energy

Population covered: U.S. households

Sample size: About 6,000 households (The same households are in two successive surveys.)

Geographic distribution: Nationwide

Years data collected: Limited data in 1978 and 1979; complete data in 1980, 1981, 1982, 1984, 1987, and 1990. The 1990 data should be available for public use in 1993.

Method of data collection: Personal and mail interviews.

Future surveys planned: About every 3 years

Major variables: Characteristics of household members, including urban/rural, income, race, and housing tenure; characteristics of the house, including age, type of housing, household energy consumption, degree-day category, average amount of fuel consumed; and household cost of natural gas, electricity, fuel oil/kerosene, and liquefied petroleum gas.

Publications: The main reports are *Housing Characteristics; Household Energy Consumption and Expenditures, Part 1: National Data;* and *Household Energy Consumption and Expenditures, Part 2: Regional Data.* Reports based on the 1990 survey should be available in late 1992.

Source for further information and data: Data files and tapes are available from:
National Technical Information Service (NTIS)
U.S. Department of Commerce
5285 Port Royal Road
Springfield, VA 22161
(703) 487-4807

For information and a description of the data files, contact:
National Energy Information Center (NEIC), EI-231
Energy Information Administration
Forrestal Building, Room 1F-048
1000 Independence Avenue, SW
Washington, DC 20585
(202) 586-8800

Residential Transportation Energy Consumption Survey (RTECS) – a subsample of the Residential Energy Consumption Survey (RECS)

Sponsoring agency: U.S. Department of Energy

Population covered: U.S. households

Sample size: 3,000 to 4,000 households, with an oversampling of high-mileage households.

Geographic distribution: Nationwide

Years data collected: Limited data in 1978 and 1979; complete data in 1980, 1981, 1983, 1985, 1988, and 1991. The 1991 data should be available for public use in 1993.

Method of data collection: There are four phases of data collection over a 12-month period. Phase one is a personal interview in conjunction with the RECS. Phases two through four are telephone and mail surveys.

Future surveys planned: About every 3 years

Major variables: Characteristics of household members, including age, ethnic background, income, urban/rural, and number of drivers; characteristics and use of vehicles including vehicle make, model, age, vehicle identification number, estimated miles driven during the past year, miles per gallon, monthly and annual estimates of fuel consumption and expenditures, fuel grade and type of pump service, number and type of vehicles per household, and odometer readings at the beginning and end of the year.

Publications: The main publication from the RTECS is *Household Vehicle Energy Consumption*, which is available from NEIC at the address and phone number below. Reports based on the 1991 survey should be available in late 1992.

Sources for further information and data: Data files and tapes are available from:
National Technical Information Service (NTIS)
U.S. Department of Commerce
5285 Port Royal Road
Springfield, VA 22161
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For information and a description of the data files, contact:
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Expenditures on a Child by Husband-Wife Families, Lower Income Level, 1991[1]

Age of Child	Total	Housing	Food	Transportation	Clothing	Health Care	Education, Child Care, and Other
U.S. Overall (Income: <$31,200)							
0 - 2	4,520	1,830	690	610	330	250	810
3 - 5	4,820	1,770	770	660	360	230	1,030
6 - 8	4,810	1,770	990	710	390	250	700
9 - 11	4,660	1,640	1,120	640	400	260	600
12 - 14	5,350	1,580	1,200	970	650	260	690
15 - 17	5,700	1,550	1,360	1,220	610	280	680
Total	89,580	30,420	18,390	14,430	8,220	4,590	13,530
Urban West (Income: <$31,200)							
0 - 2	4,790	2,150	750	550	310	220	810
3 - 5	5,110	2,120	840	590	340	200	1,020
6 - 8	5,150	2,120	1,070	630	380	210	740
9 - 11	5,020	1,990	1,210	560	390	220	650
12 - 14	5,710	1,920	1,300	880	630	230	750
15 - 17	6,040	1,890	1,450	1,150	590	240	720
Total	95,460	36,570	19,860	13,080	7,920	3,960	14,070
Urban Northeast (Income: <$31,900)							
0 - 2	4,720	2,120	810	510	320	230	730
3 - 5	5,040	2,090	900	550	350	210	940
6 - 8	5,060	2,090	1,130	590	380	220	650
9 - 11	4,930	1,950	1,290	510	390	230	560
12 - 14	5,620	1,880	1,370	850	640	230	650
15 - 17	5,970	1,850	1,530	1,110	600	250	630
Total	94,020	35,940	21,090	12,360	8,040	4,110	12,480
Urban South (Income: <$30,700)							
0 - 2	4,620	1,830	690	650	350	280	820
3 - 5	4,960	1,800	780	690	390	260	1,040
6 - 8	4,940	1,800	990	750	420	270	710
9 - 11	4,780	1,670	1,130	670	430	280	600
12 - 14	5,480	1,610	1,210	1,000	690	290	680
15 - 17	5,860	1,580	1,360	1,270	650	310	690
Total	91,920	30,870	18,480	15,090	8,790	5,070	13,620
Urban Midwest (Income: <$30,800)							
0 - 2	4,400	1,750	640	570	340	230	870
3 - 5	4,750	1,720	730	610	380	210	1,100
6 - 8	4,710	1,720	930	660	410	230	760
9 - 11	4,560	1,600	1,070	580	420	240	650
12 - 14	5,260	1,530	1,150	910	690	240	740
15 - 17	5,630	1,500	1,300	1,180	650	260	740
Total	87,930	29,460	17,460	13,530	8,670	4,230	14,580
Rural (Income: <$30,900)							
0 - 2	4,000	1,320	580	740	320	270	770
3 - 5	4,330	1,290	670	780	350	250	990
6 - 8	4,280	1,290	850	840	380	260	660
9 - 11	4,130	1,170	980	770	390	270	550
12 - 14	4,820	1,100	1,060	1,100	640	280	640
15 - 17	5,170	1,070	1,200	1,360	600	300	640
Total	80,190	21,720	16,020	16,770	8,040	4,890	12,750

[1] Estimates are for the younger child in a two-child family.

Source: USDA, ARS, Family Economics Research Group. 1992. *Expenditures on a Child by Families, 1991.*

Expenditures on a Child by Husband-Wife Families, Middle Income Level, 1991[1]

Age of Child	Total	Housing	Food	Transportation	Clothing	Health Care	Education, Child Care, and Other
U.S. Overall (Income: $31,200 to $50,400)							
0 - 2	6,400	2,420	850	1,020	420	320	1,370
3 - 5	6,800	2,360	990	1,080	450	300	1,620
6 - 8	6,760	2,370	1,250	1,160	490	320	1,170
9 - 11	6,570	2,230	1,410	1,080	500	330	1,020
12 - 14	7,320	2,170	1,490	1,410	820	330	1,100
15 - 17	7,780	2,150	1,660	1,670	780	350	1,170
Total	124,890	41,100	22,950	22,260	10,380	5,850	22,350
Urban West (Income: $31,200 to $50,500)							
0 - 2	6,620	2,710	910	960	400	290	1,350
3 - 5	7,040	2,690	1,050	1,010	430	270	1,590
6 - 8	7,060	2,690	1,330	1,090	470	290	1,190
9 - 11	6,900	2,560	1,500	1,010	480	300	1,050
12 - 14	7,640	2,490	1,580	1,340	790	300	1,140
15 - 17	8,050	2,460	1,750	1,600	740	320	1,180
Total	129,930	46,800	24,360	21,030	9,930	5,310	22,500
Urban Northeast (Income: $31,900 to $51,600)							
0 - 2	6,580	2,710	960	930	400	300	1,280
3 - 5	7,000	2,680	1,110	970	440	280	1,520
6 - 8	6,990	2,680	1,390	1,050	470	290	1,110
9 - 11	6,830	2,550	1,570	970	480	300	960
12 - 14	7,590	2,480	1,650	1,300	800	310	1,050
15 - 17	8,010	2,440	1,820	1,570	750	330	1,100
Total	129,000	46,620	25,500	20,370	10,020	5,430	21,060
Urban South (Income: $30,700 to $49,700)							
0 - 2	6,490	2,370	850	1,070	450	350	1,400
3 - 5	6,920	2,350	990	1,120	490	330	1,640
6 - 8	6,860	2,340	1,250	1,210	520	350	1,190
9 - 11	6,680	2,220	1,410	1,130	540	360	1,020
12 - 14	7,450	2,160	1,490	1,460	870	370	1,100
15 - 17	7,900	2,120	1,650	1,730	820	390	1,190
Total	126,900	40,680	22,920	23,160	11,070	6,450	22,620
Urban Midwest (Income: $30,800 to $49,700)							
0 - 2	6,280	2,300	810	990	430	300	1,450
3 - 5	6,700	2,280	940	1,030	470	280	1,700
6 - 8	6,640	2,270	1,190	1,120	510	300	1,250
9 - 11	6,440	2,150	1,350	1,040	520	310	1,070
12 - 14	7,200	2,080	1,430	1,370	860	310	1,150
15 - 17	7,660	2,050	1,590	1,630	810	330	1,250
Total	122,760	39,390	21,930	21,540	10,800	5,490	23,610
Rural (Income: $30,900 to $49,900)							
0 - 2	5,860	1,870	740	1,160	400	340	1,350
3 - 5	6,280	1,840	880	1,200	440	320	1,600
6 - 8	6,210	1,840	1,110	1,300	480	340	1,140
9 - 11	6,010	1,720	1,260	1,220	490	350	970
12 - 14	6,770	1,650	1,340	1,560	810	360	1,050
15 - 17	7,220	1,620	1,490	1,820	760	380	1,150
Total	115,050	31,620	20,460	24,780	10,140	6,270	21,780

[1]Estimates are for the younger child in a two-child family.

Source: USDA, ARS, Family Economics Research Group. 1992. *Expenditures on a Child by Families, 1991.*

Expenditures on a Child by Husband-Wife Families, Higher Income Level, 1991[1]

Age of Child	Total	Housing	Food	Transportation	Clothing	Health Care	Education, Child Care, and Other
U.S. Overall (Income: >$50,400)							
0 - 2	9,160	3,630	1,040	1,400	520	400	2,170
3 - 5	9,640	3,570	1,250	1,450	560	370	2,440
6 - 8	9,500	3,570	1,500	1,570	590	400	1,870
9 - 11	9,310	3,440	1,690	1,500	610	410	1,660
12 - 14	10,160	3,380	1,850	1,820	970	410	1,730
15 - 17	10,690	3,350	1,950	2,080	930	430	1,950
Total	175,380	62,820	27,840	29,460	12,540	7,260	35,460
Urban West (Income: >$50,500)							
0 - 2	9,290	3,880	1,080	1,350	490	370	2,120
3 - 5	9,810	3,850	1,310	1,390	530	340	2,390
6 - 8	9,700	3,850	1,560	1,510	560	360	1,860
9 - 11	9,520	3,720	1,760	1,430	580	370	1,660
12 - 14	10,380	3,650	1,920	1,760	930	380	1,740
15 - 17	10,840	3,620	2,020	2,020	880	400	1,900
Total	178,620	67,710	28,950	28,380	11,910	6,660	35,010
Urban Northeast (Income: >$51,600)							
0 - 2	9,300	3,930	1,130	1,320	490	370	2,060
3 - 5	9,840	3,900	1,370	1,360	530	350	2,330
6 - 8	9,740	3,900	1,630	1,480	570	370	1,790
9 - 11	9,540	3,760	1,830	1,400	580	380	1,590
12 - 14	10,410	3,700	1,990	1,730	940	390	1,660
15 - 17	10,890	3,660	2,090	2,000	890	410	1,840
Total	179,160	68,550	30,120	27,870	12,000	6,810	33,810
Urban South (Income: >$49,700)							
0 - 2	9,160	3,490	1,020	1,470	550	440	2,190
3 - 5	9,680	3,470	1,240	1,510	600	410	2,450
6 - 8	9,520	3,460	1,480	1,630	630	430	1,890
9 - 11	9,320	3,340	1,670	1,550	650	450	1,660
12 - 14	10,190	3,280	1,830	1,890	1,020	450	1,720
15 - 17	10,750	3,240	1,920	2,150	980	480	1,980
Total	175,860	60,840	27,480	30,600	13,290	7,980	35,670
Urban Midwest (Income: >$49,700)							
0 - 2	8,950	3,430	980	1,380	530	380	2,250
3 - 5	9,470	3,410	1,200	1,420	570	350	2,520
6 - 8	9,320	3,410	1,430	1,540	610	380	1,950
9 - 11	9,090	3,280	1,620	1,460	620	390	1,720
12 - 14	9,970	3,220	1,770	1,790	1,010	390	1,790
15 - 17	10,510	3,180	1,860	2,050	960	420	2,040
Total	171,930	59,790	26,580	28,920	12,900	6,930	36,810
Rural (Income: >$49,900)							
0 - 2	8,530	3,000	920	1,550	500	420	2,140
3 - 5	9,060	2,970	1,130	1,600	540	400	2,420
6 - 8	8,900	2,970	1,350	1,730	580	420	1,850
9 - 11	8,660	2,840	1,530	1,650	590	430	1,620
12 - 14	9,500	2,780	1,670	1,980	950	440	1,680
15 - 17	10,060	2,750	1,770	2,250	900	460	1,930
Total	164,130	51,930	25,110	32,280	12,180	7,710	34,920

[1] Estimates are for the younger child in a two-child family.

Source: USDA, ARS, Family Economics Research Group. 1992. *Expenditures on a Child by Families, 1991.*

Estimated Annual Expenditures on a Child by Single-Parent Families, Overall United States, 1991[1]

Age of Child	Total	Housing	Food	Transportation	Clothing	Health Care	Education, Child Care, and Other
Income: Less than $31,200							
0 - 2	3,930	1,410	730	1,010	190	90	500
3 - 5	4,960	1,640	760	1,270	260	150	880
6 - 8	5,390	1,880	1,000	1,220	300	160	830
9 - 11	5,690	1,880	1,070	1,340	330	190	880
12 - 14	5,550	1,730	1,210	1,310	630	220	450
15 - 17	5,860	1,830	1,270	1,480	620	200	460
Total	94,140	31,110	18,120	22,890	6,990	3,030	12,000
Income: $31,200 or more							
0 - 2	8,150	3,110	1,090	1,770	280	240	1,660
3 - 5	9,500	3,340	1,190	2,120	370	340	2,140
6 - 8	9,840	3,580	1,470	2,000	410	360	2,020
9 - 11	10,240	3,580	1,670	2,150	450	410	1,980
12 - 14	10,020	3,430	1,780	2,110	820	460	1,420
15 - 17	10,410	3,530	1,840	2,330	810	430	1,470
Total	174,480	61,710	27,120	37,440	9,420	6,720	32,070

[1] Estimates are for the younger child in a two-child family.

Source: USDA, ARS, Family Economics Research Group. 1992. *Expenditures on a Child by Families, 1991.*

Cost of Food at Home

Cost of food at home estimated for food plans at four cost levels, December 1991, U.S. average[1]

Sex–age group	Cost for 1 week				Cost for 1 month			
	Thrifty plan	Low-cost plan	Moderate-cost plan	Liberal plan	Thrifty plan	Low-cost plan	Moderate-cost plan	Liberal plan
FAMILIES								
Family of 2:[2]								
20 - 50 years	$48.70	$61.60	$75.70	$94.10	$211.20	$266.40	$327.90	$407.30
51 years and over	46.20	59.10	72.80	87.10	200.20	256.00	315.50	377.10
Family of 4:								
Couple, 20 - 50 years and children—								
1 - 2 and 3 - 5 years	71.10	88.80	108.20	133.00	308.10	384.60	469.00	576.10
6 - 8 and 9 - 11 years	81.30	104.30	130.10	156.70	352.60	451.60	563.70	678.80
INDIVIDUALS[3]								
Child:								
1 - 2 years	12.90	15.70	18.30	22.20	56.00	68.20	79.50	96.30
3 - 5 years	13.90	17.10	21.10	25.30	60.10	74.20	91.40	109.50
6 - 8 years	16.90	22.60	28.30	33.00	73.30	98.00	122.70	142.90
9 - 11 years	20.10	25.70	33.00	38.20	87.30	111.40	142.90	165.60
Male:								
12 - 14 years	20.90	29.10	36.30	42.60	90.60	126.10	157.10	184.50
15 - 19 years	21.70	30.00	37.30	43.20	93.90	130.10	161.70	187.30
20 - 50 years	23.20	29.80	37.10	44.90	100.70	128.90	160.70	194.50
51 years and over	21.10	28.30	34.80	41.70	91.50	122.50	150.80	180.50
Female:								
12 - 19 years	21.10	25.20	30.50	36.90	91.50	109.10	132.20	159.80
20 - 50 years	21.10	26.20	31.70	40.60	91.30	113.30	137.40	175.80
51 years and over	20.90	25.40	31.40	37.50	90.50	110.20	136.00	162.30

[1]Assumes that food for all meals and snacks is purchased at the store and prepared at home. Estimates for the thrifty food plan were computed from quantities of foods published in *Family Economics Review* 1984(*1*). Estimates for the other plans were computed from quantities of foods published in *Family Economics Review* 1983(*2*). The costs of the food plans are estimated by updating prices paid by households surveyed in 1977–78 in USDA's Nationwide Food Consumption Survey. USDA updates these survey prices using information from the Bureau of Labor Statistics, *CPI Detailed Report*, table 4, to estimate the costs for the food plans.

[2]Ten percent added for family size adjustment. See footnote 3.

[3]The costs given are for individuals in 4-person families. For individuals in other size families, the following adjustments are suggested: 1-person—add 20 percent; 2-person—add 10 percent; 3-person—add 5 percent; 5- or 6-person—subtract 5 percent; 7- or more-person—subtract 10 percent.

Consumer Prices

Consumer Price Index for all urban consumers [1982-84 = 100]

Group	Unadjusted indexes December 1991	November 1991	October 1991	December 1990
All items	137.9	137.8	137.4	133.8
Food	136.7	136.2	135.8	134.2
Food at home	135.5	135.0	134.4	133.8
Food away from home	139.6	139.3	139.1	135.7
Housing	135.0	134.7	134.7	130.5
Shelter	148.2	147.9	147.7	142.7
Renters' costs[1]	155.8	155.4	156.1	149.5
Homeowners' costs[1]	153.0	152.6	152.1	147.5
Household insurance[1]	140.0	139.9	138.9	136.5
Maintenance and repairs	128.1	127.6	126.6	123.8
Maintenance and repair services	131.4	130.7	130.6	128.9
Maintenance and repair commodities	123.7	123.6	121.3	116.8
Fuel and other utilities	116.0	115.3	115.7	112.7
Fuel oil and other household fuel commodities	94.7	94.8	90.9	114.1
Gas (piped) and electricity	112.4	111.2	112.9	108.6
Household furnishings and operation	116.3	116.5	116.4	113.7
Housefurnishings	107.1	107.6	107.7	106.1
Housekeeping supplies	129.8	129.6	129.0	127.5
Housekeeping services	129.4	129.1	128.9	122.3
Apparel and upkeep	129.6	132.9	132.7	125.3
Apparel commodities	127.2	130.9	130.7	123.0
Men's and boys' apparel	125.9	127.7	127.2	122.3
Women's and girls' apparel	128.4	132.9	132.8	123.5
Infants' and toddlers' apparel	129.2	130.2	129.1	125.6
Footwear	121.8	123.4	123.4	118.4
Apparel services	144.9	144.4	144.3	140.2
Transportation	125.3	125.0	124.0	127.2
Private transportation	123.4	123.4	122.4	125.1
New vehicles	128.3	127.3	125.8	124.3
Used cars	120.1	120.6	120.2	117.1
Motor fuel	98.4	99.4	98.3	117.1
Automobile maintenance and repair	138.4	138.5	138.4	132.5
Other private transportation	152.0	151.8	150.9	146.7
Other private transportation commodities	105.3	104.9	104.3	103.8
Other private transportation services	162.5	162.3	161.4	156.3
Public transportation	149.8	147.0	144.9	154.4
Medical care	182.6	181.8	180.7	169.2
Medical care commodities	181.7	181.1	180.3	169.1
Medical care services	182.8	181.9	180.8	169.3
Professional medical services	169.8	169.1	168.5	160.0
Entertainment	139.9	140.4	140.5	134.6
Entertainment commodities	129.6	129.8	130.0	125.2
Entertainment services	152.7	153.5	153.4	146.3
Other goods and services	177.6	176.9	176.2	164.5
Personal care	135.7	135.7	135.7	132.4
Toilet goods and personal care appliances	133.4	133.8	133.3	129.9
Personal care services	138.0	137.7	138.2	135.0
Personal and educational expenses	191.1	190.8	190.7	176.3
School books and supplies	184.7	184.5	184.9	174.7
Personal and educational services	191.8	191.5	191.4	176.6

[1]Indexes on a December 1982 = 100 base.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

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Highlights

Young Husband-Wife Families

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